rejection of the claims is repeated in the final rejection substantially for the reasons set forth in paragraph 5 of Paper No. 070104 together with additional observations made by the Examiner in the final rejection. Reconsideration of this rejection is requested.

The Examiner has taken the position that the polyolefin films 1 and 2 of JP '971 "inherently possess" the required Young's modulus parameters. To the extent that the Examiner's rejection is based upon inherency, the rejection should be withdrawn.

It is well known that when a prior art reference does not expressly set forth a particular element of the claim, the reference may still anticipate if that element is "inherent" in its disclosure. However, to support an anticipation rejection based on inherency, the Examiner must provide factual and technical grounds establishing that the inherent feature necessarily flows from the teachings of the prior art. See Ex Parte Levy, 17 USPQ 2d 1461, 1464 (Bd. Pat. App & Int., 1990). Also, as noted by the Federal Circuit in In re Robertson, 49 USPQ 2d 1949, 1950, (1999)

To establish inherency, the extrinsic evidence "must make it clear that the missing descriptive matter is necessarily present in the thing described in the reference and that it would be so recognized by persons of ordinary skill" Continental Can Co. v Monsanto Co., 948 F2d 1264, 1268, 20 USPQ 2d 1747, 1749 (Fed Cir. 1991).

Inherency however may not be established by a probability or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient. Id. 1269, 20 USPQ 2d at 1749 (quoting <u>In re Oelrich</u>, 666 F2d 578, 581, 212 USPQ 323, 326 (CCPA 1981).

Although Applicants may have disclosed some of the same materials for the layers as disclosed in JP '971, the tensile modulus values specified in Applicants' claims for the multilayer film are not inherent in the polymers selected for the base layer and the skin layer. The tensile values specified in Applicants' claims are for the multilayer film, and these values are a result of the type of orientation conducted on the multilayer film. Applicants' multilayer films are biaxially oriented to provide that the tensile modulus of the multilayer film in the machine direction is greater than the tensile

modulus in the cross direction, and the tensile modulus in the cross direction is 150,000 psi or less (claims 56-84). In claims 85-87, a biaxially stretched oriented multilayer film is claimed wherein the stretch orientation of the multilayer film in the machine direction is greater than the stretch-orientation in the cross direction by at least 10%, and the tensile modulus of the multilayer film in the cross direction is 150,000 psi or less.

Applicants respectfully submit that these characteristics of the multilayer films used in the labelstocks of the present invention are not inherent in the multilayer films described in JP '971, nor are these labelstocks obvious over JP '971. JP '971 neither teaches or suggests multilayer films of the type utilized in Applicants' labelstocks. The Examiner has not provided any factual or technical grounds establishing that these features are inherent because they "necessarily flow" from the teachings of the prior art. (Ex Parte Levy, supra). To the contrary, JP '971 specifically exemplifies a multilayer film which does not possess the tensile values considered by the Examiner to be inherent in the films described in JP '971. See, for example, the Example on pages 14 and 15 of JP '971 where the biaxially oriented polyolefin film prepared in the Example is characterized as having a Young's modulus of elasticity in the machine direction (103 kg/mm² lengthwise) that is less than the modulus of elasticity in the cross direction (180 kg/mm² widthwise).

In addition, Applicants' claims recite that the tensile modulus in the cross direction of the multilayer film is 150,000 psi or less. This parameter of the claims in not inherent in JP '971. In the Example on pages 14-15 of JP '971, the tensile modulus of the multilayer film in the cross direction is reported to be 180 kg/mm² which is equivalent to about 256,000 psi. The properties of the films specified in the present claims are not inherent in the films of JP '971, and the films of the present claims are not similar to or substantially similar to the films of JP '971. Moreover, the claimed films are not obvious over JP '971 since there is no teaching in JP '971 that would make it obvious to modify the films exemplified in JP '971 to produce Applicants' films.

Although, as noted above, Applicants' polymers may include the polymers recited in JP '971, the method for preparing the multilayer film described in the Example of JP '971 is different from the method utilized in the present invention to provide the

desired multilayer films. The multilayer films of the present invention are provided by stretching the film in the machine direction and in the cross direction, and the stretch orientation in the machine direction is greater than the stretch-orientation in the cross direction. This feature of the claims is not described or suggested in JP '971. To the contrary, in the Example of JP '971 on pages 14-15, the film stretch orientation in the machine direction (3.5 times) is less than the stretch orientation (9 times) in the cross direction.

The Examiner's suggestion that any differences between the present claims and JP '971 are obvious because they amount to mere optimization of properties for one of ordinary skill in the art is respectfully traversed. A tensile modulus in the machine direction greater than tensile modulus in the cross direction; a stretch orientation in the machine direction greater than stretch orientation in the cross direction; and a multilayer film having a tensile modulus of 150,000 psi or less in the cross direction do not amount to an optimization of parameters disclosed in JP '971. There is no teaching or suggestion in JP '971 of a multilayer film having such or similar properties.

Claims 60 and 82 have been rejected under 35 USC §103(a) as being H. unpatentable over JP '971.

These claims have been rejected for substantially the same reasons as set forth in paragraph number 6 of Paper No. 070104, together with additional observations.

Claims 60 and 82 are dependent from claim 56. Accordingly, the rejection of these claims should be withdrawn for the same reasons as given above with regard to the rejection of claim 56. The adhesive containing labelstocks of claims 60 and 82 are not inherent in JP '971, are not described or suggested in JP '971, and would not be obvious to one skilled in the art from a review of the JP '971 patent. Accordingly, the rejection of claims 60 and 82 also should be withdrawn.

CONCLUSION

In view of the above comments, the Examiner is requested to reconsider the rejections of claims 56-87. Applicants submit that all of the these claims are allowable over JP '971, and an early action to this effect is solicited.

Respectfully submitted,

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